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LISTING STATEMENT NO. 2501.

LISTED JULY 28, 1971.

2,274,001 common shares without par value of which
42,850 shares are subject to issuance.
Stock Symbol FSL.
Post Section 1.6.

THE TORONTO STOCK EXCHANGE

24

LISTING STATEMENT

FIELDS STORES LIMITED

Incorporated under the laws of the Province of British Columbia on September 2, 1948,
by Certificate of Incorporation on the filing of a Memorandum of Association.

CAPITALIZATION AS AT JUNE 11, 1971

SHARE CAPITAL

	Authorized	Issued and Outstanding	To be Listed
Common Shares without par value	3,500,000	2,231,151	2,274,001*

*of which 42,850 are subject to issuance.

June 11, 1971

1. APPLICATION

FIELDS STORES LIMITED (hereinafter called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 2,274,001 Common Shares without nominal or par value in the capital of the Company, of which 2,231,151 have been issued and outstanding as fully paid and non-assessable. The remaining 42,850 Common Shares included in this application have been reserved for employee stock options at \$7.20 per share, the last of which expires June 30, 1975.

2. HISTORY

The Company was incorporated in 1948 as a private company to operate a general mercantile store in Vancouver, British Columbia. By July, 1968, when it was converted from a private company to a public company, the Company had grown into a chain of eight (8) retail family clothing stores in British Columbia, specializing in popular priced merchandise.

In August, 1968, the Company acquired a retail family clothing and drygoods store in Abbotsford, British Columbia, and in September, 1968, acquired as a wholly-owned subsidiary, MacKenzie's Limited, operating a full department store in Williams Lake, British Columbia. During October, 1968, the Company acquired the business of Spencer Stores Ltd. in Victoria, British Columbia.

In March, 1969, the Company acquired as a wholly-owned subsidiary, Lounge Fashion Clothes Ltd., a men's clothing manufacturer in Vancouver. In April, 1969, the Company acquired three (3) full department store operations from the Hudson's Bay Company, located at Powell River, British Columbia, Kimberley, British Columbia, and Nelson, British Columbia. In May, 1969, the Company opened a new retail outlet in Haney, British Columbia. In August, 1969, the Company acquired as a wholly-owned subsidiary, George A. Meikle Ltd., owner of a family clothing store in Kelowna, British Columbia. A new family clothing store operation was opened in September, 1969, in Lougheed Mall Shopping Centre, Burnaby, British Columbia.

In January, 1970, the Company acquired 75% of the issued and outstanding shares of Diamond & Co. Ltd. and Harbrook Knitting Mills Ltd., of Winnipeg, Manitoba. The importing business of these companies has been continued. In January, 1970, the Company purchased from McKee's Limited, three (3) family clothing stores in Vancouver, British Columbia. In June, 1970, the Company opened a discount store in Mission, British Columbia, trading under the name of Fedco, and converted one store in Vancouver to a "Fedco" operation. In August, 1970, a family clothing store was opened in Port Alberni, British Columbia.

In September, 1970, the Company opened a junior department store in Kamloops, British Columbia. In April, 1971, the Company opened its first "pant" store in Vancouver under the name of Pants Plus. A second such store has been opened in the Vancouver area and a third and fourth are planned for opening in July, 1971. Also during April, the Company opened a family clothing store in Port Coquitlam, British Columbia, and in May opened family clothing stores in Courtenay, British Columbia, and Chilliwack, British Columbia. The Company has just acquired, effective from May 25, 1971, a group of seven variety stores located in the Greater Vancouver (4) and Greater Victoria (3) areas from Merry Mart (1963) Ltd. These will shortly be converted to clothing stores operating under the Fields name.

NATURE OF BUSINESS

The Company is engaged in retailing of a broad range of popular price merchandise predominantly in the family clothing lines. The Company does not manufacture for its own retail distribution but obtains its merchandise from a large number of suppliers located in various centres in Canada. The Company presently operates 35 retail stores in British Columbia consisting of 4 full line department stores, 4 junior department stores, 18 family clothing stores, 2 pant stores and 7 recently acquired variety stores which will soon be converted to family clothing stores. The 4 full line department stores offer full credit facilities whereas all other retail stores operate on a cash and carry basis.

The Company's present retail operations are located throughout the Province of British Columbia, 18 of which are located in the Greater Vancouver area, 4 in the Greater Victoria area, 3 on Vancouver Island, 3 in the Okanagan and Cariboo District, 2 in the Kootenays, 1 at Powell River, British Columbia, and 4 in the Fraser Valley area.

The Company owns 9 of its retail store premises, one of which includes its warehouse and distribution centre and executive offices, and leases all other premises for varying periods ranging up to a maximum of 23 years.

The Company plans to open stores at Penticton, British Columbia, Langley, British Columbia, and Campbell River, British Columbia, before the end of 1971. The Company is about to enter the Province of Alberta. It has acquired a building in Edmonton where it expects to open its first Alberta store in August, 1971. The Company expects to continue an orderly expansion programme and is investigating additional store locations in British Columbia and Alberta.

The Company's subsidiary companies operate under separate management with less than 7% of their volumes stemming from inter-company transactions. The operation of subsidiary companies include a wholly-owned men's clothing manufacturer, a wholly-owned footwear and general merchandise importer, and a ladies' and children's clothing importer which is owned 75% by the Company.

INCORPORATION

The Company was incorporated as a private company under the laws of the Province of British Columbia by registration of its Memorandum of Association on September 2, 1948. The name of the Company was then Commercial Distributors Ltd. and had an authorized capital of \$40,000, divided into 50 Common Shares with a nominal or par value of \$100 each and 350 5% Cumulative Preferred Redeemable Shares with a nominal or par value of \$100 each. In July, 1968, the capital of the Company was altered and all of the Preferred Shares and 45 of the Common Shares were cancelled, the 5 issued Common Shares with a par value of \$100 each were converted into Common Shares without nominal or par value and subdivided into 535,000 Common Shares without nominal or par value, and a further 215,000 Common Shares without nominal or par value authorized to be issued, so that in the result the authorized capital consisted of 750,000 Common Shares without nominal or par value, of which 535,000 were issued. The Company then converted to a public company and changed its name to Fields Stores Limited. Its former name, Commercial Distributions Ltd., was adopted by one of the Company's subsidiaries. On May 12, 1969, all of the shares, authorized and issued shares, were subdivided 3 for 1, so that the Company was then authorized to issue 2,250,000 Common Shares without nominal or par value of which 1,965,000 were issued. On December 30, 1969, the capital of the Company was increased by increasing the number of Common Shares without nominal or par value that the Company was authorized to issue from 2,250,000 to 3,500,000, the present authorized capital.

SHARES ISSUED DURING PAST TEN YEARS

<u>Date of Issue</u>	<u>No. of Shares Issued (1)</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
September 2, 1948	2	\$ 100.00	\$ 200 (1)	Incorporators' shares
March 2, 1957	3	\$ 100.00	\$ 300 (1)	Further incorporators' shares
July 23, 1968	20,000	\$ 7.00	\$ 140,000 (2)	Consideration for the acquisition of the business of Honest Joe's Store Ltd.
April 3, 1969	100,000	\$ 23.00	\$2,300,000 (1)	General corporate purposes
December 2, 1969	200,000	\$ 8.75	\$1,750,000	\$1,500,000 for cash portion of the purchase price in the acquisition of Diamond & Co. Ltd., and Harbrook Knitting Mills Ltd., and \$250,000 for general corporate purposes
January 22, 1970	65,001	\$ 9.37	\$ 609,384 (2)	As part consideration for the acquisition of Diamond & Co. Ltd., and Harbrook Knitting Mills Ltd.
March, 1971	150	\$ 7.20	\$ 1,080	Exercise of employee stock options
April, 1971	800	\$ 7.20	\$ 5,760	Exercise of employee stock options
May, 1971	200	\$ 7.20	\$ 1,440	Exercise of employee stock options

NOTES:

- (1) The five (5) incorporators' shares of the Company were subdivided 107,000 for 1 on July 22, 1968, and subsequently the shares were further subdivided 3 for 1 on May 12, 1969. In the result, the original 5 incorporators' shares issued while the Company was a private company became 1,605,000 shares, the 20,000 shares issued July 23, 1968, became 60,000 shares, and the 100,000 shares issued April 3, 1969, became 300,000 shares.
- (2) These amounts represent the price for the assets satisfied by the issue of the shares.

6. STOCK PROVISIONS AND VOTING POWERS

Each Common Share carries one vote at all meetings of the shareholders.

7. DIVIDEND RECORD

The Company has not paid any dividends on its shares.

8. RECORD OF PROPERTIES

The premises of 26 of the Company stores are held under leases in which the Company is the tenant.

The Company or its wholly-owned subsidiaries own or are purchasing pursuant to registered agreements the following properties:

- (a) Retail store located at 95 West Hastings Street, Vancouver, British Columbia.
- (b) Retail store located at 635 Columbia Street, New Westminster, British Columbia.
- (c) Retail store located at 337 West Hastings Street, Vancouver, British Columbia.
- (d) Retail store located at 33765 Essendene Avenue, Abbotsford, British Columbia. This property is owned subject to a Mortgage having an unpaid balance of \$14,610. This is referred to in paragraph 10 (b).
- (e) Retail store located at Williams Lake, British Columbia. In addition, the Company owns certain lands zoned for industrial use and two dwellings leased to employees all located in Williams Lake, British Columbia. This property is owned subject to a Mortgage with an unpaid balance of \$7,500 as referred to in paragraph 10 (c).
- (f) Retail store located at Kimberley, British Columbia, together with a dwelling which is leased to an employee.
- (g) Retail store located at Nelson, British Columbia, together with a dwelling leased to an employee.
- (h) Retail store, distribution centre and head office located at 2540 East Hastings Street, Vancouver, British Columbia. This property is owned subject to a Mortgage with an unpaid balance of \$333,635 as referred to in paragraph 10 (a).
- (i) Retail store located at Port Alberni, British Columbia.
- (j) Retail premises located in Edmonton, Alberta.
- (k) Office building located at 440 Cambie Street, Vancouver, British Columbia, the majority of which is leased to third parties and the remainder housing manufacturing and warehousing facilities of subsidiary companies. In addition to the office building, the Company owns land adjacent thereto which is presently used as a parking lot by tenants of the building and others. This parking lot was purchased pursuant to an Agreement to Purchase which has an unpaid balance of \$3,123 and is referred to in paragraph 10 (g).
- (l) Dwelling located at Powell River, British Columbia, and leased to an employee.
- (m) Two dwellings located in Vancouver, British Columbia, and leased to third parties. One of these properties is owned subject to two Mortgages having unpaid balances of \$16,376 and \$1,763 respectively, and are referred to in paragraphs 10 (d) and (e) respectively.
- (n) Recreational property included with the acquisition of a subsidiary company and located at Likely, British Columbia.
- (o) The Company leases under a Head Lease from Joseph Segal, an office building located at 198 West Hastings Street, Vancouver, British Columbia, which is sublet to third parties.
- (p) The Company has an Agreement to Purchase an undivided $\frac{1}{4}$ interest in real property located at 55 West Hastings Street, Vancouver, British Columbia, a part of which premises is utilized as a retail store by the Company. This Agreement to Purchase has an unpaid balance of \$17,725 and is referred to in paragraph 10 (f).

9. SUBSIDIARY COMPANIES

LOUNGE FASHION CLOTHES LTD.:

Lounge Fashion Clothes Ltd was incorporated under the laws of the Province of British Columbia by filing Memorandum of Association on January 2, 1945, with an authorized capital of \$10,000 divided into 1,000 Common Shares with a nominal or par value of \$10 each. In November, 1946, the authorized capital was increased to \$50,000 divided into 1,000 Common Shares and 4,000 Preferred Redeemable Shares all with a nominal or par value of \$10 each. In March, 1969, there were 450 Common Shares and 1,000 Preferred Redeemable Shares outstanding, and these shares were then acquired and are now owned by Fields Stores Limited. This Company manufactures men's clothing, principally suits, sports jackets and slacks.

GEORGE A. MEIKLE LIMITED:

George A. Meikle Limited was incorporated under the laws of the Province of British Columbia by filing Memorandum of Association and issuance of a Certificate of Incorporation on January 4, 1937, with an authorized capital of \$50,000 divided into 1,000 Ordinary Shares with a nominal or par value of \$50 each. In August, 1969, there were 940 Ordinary Shares outstanding and these were then acquired and are now owned by Fields Stores Limited. This Company operated a retail clothing store at Kelowna, British Columbia, which has been converted to a Fields Family Clothing Store. The Company also owns certain real property.

MacKENZIE'S LTD.:

MacKenzie's Ltd. was incorporated under the laws of the Province of British Columbia on the 30th day of September, 1922. In October, 1968, it had an authorized capital of \$280,000 divided into 240 Ordinary Shares with a nominal or par value of \$100 each, 60 Class "A" Preferred Shares with a nominal or par value of \$100 each and 2,500 Class "B" Preferred Shares with a nominal or par value of \$100 each. There were 240 Ordinary Shares, 60 Class "A" Preferred Shares and 856 Class "B" Preferred Shares issued and outstanding and these were then acquired and are now owned by Fields Stores Limited. This Company operates the Fields Department Store at Williams Lake, British Columbia.

DIAMOND & CO. LTD.:

Diamond & Co. Ltd. was incorporated August 23, 1949, under the laws of the Province of Manitoba by Letters Patent with an authorized capital of \$50,000 divided into 450 Redeemable Non-Cumulative 5% Preferred Shares of a par value of \$100 each and 5,000 Common Shares without nominal or par value with a maximum selling price of \$1 per share. In January, 1970, there were 5,000 Common Shares without nominal or par value issued and outstanding of which 3,750 were then acquired by Fields Stores Limited. This company carries imported clothing from the Orient for distribution throughout Canada.

HARBROOK KNITTING MILLS LTD.:

Harbrook Knitting Mills Ltd. was incorporated under the laws of the Province of Manitoba by Letters Patent on November 16, 1956, and registered on December 22, 1956, under Certificate of Registration No. 11433. The authorized capital was \$100,000 divided into 800 Preferred Shares of the par value of \$100 each and 200 Common Shares of the par value of \$100 each. By Supplementary Letters Patent of May 6, 1970, the Common Shares were subdivided so that the capital stock was then \$100,000 divided into 20,000 Common Shares of a par value of \$1 each and 800 Preferred Shares of a par value of \$100 each. In January, 1970, there were 600 Common Shares outstanding and 450 of such Common Shares were then acquired by Fields Stores Limited. This company is not operating at present.

IMPERIAL IMPORTS LTD.:

Imperial Imports Ltd. was incorporated under the laws of the Province of British Columbia by registration of a Memorandum of Association and issuance of a Certificate of Incorporation on February 7, 1968, with an authorized capital of \$9,000 divided into 9,000 Preferred Redeemable Shares with a nominal or par value of \$1 each. The Company is also authorized to issue 1,000 Common Shares without nominal or par value with a maximum selling price of \$1 each. 100 Common Shares are issued and all are owned by Fields Stores Limited.

10.

FUNDED DEBT

The Company's and subsidiaries' funded or long-term debt consists of the following:

	Balance Outstanding
	May 31, 1971
Mortgages Payable:	
(a) Payable \$2,800 monthly including interest at 9% per annum with final payment due September 1, 1984	\$333,635
(b) Payable \$241 monthly including interest at 7½% per annum until paid	14,610
(c) Payable \$1,250 monthly plus interest at 7½% per annum until paid	7,500
(d) Payable \$153 monthly including interest at 10½% per annum until paid	16,376
(e) Payable \$25 monthly including interest at 9½% per annum until paid	1,763
Agreements to purchase real property:	
(f) Payable \$395 monthly including interest at 7% per annum until paid	17,725
(g) Payable \$290 monthly including interest at 6% per annum until paid	3,123
	<u>\$394,732</u>

11.

OPTIONS, UNDERWRITINGS, ETC.

The Company does not have any outstanding options, underwritings, sales agreements or other contracts or agreements of a like nature with respect to any unissued shares or any issued shares held for the benefit of the Company except as indicated below:

- By 25 agreements made between June, 1969, and February, 1970, each between the Company and an employee of the Company, the employees were granted options to purchase an aggregate of 45,500 Common Shares in the capital of the Company at the price of \$8.33 per share, exercisable by the employees as to 1/5th of the optioned shares only in each year for five consecutive years.
- By amending agreements dated January 18, 1971, one employee's option was reduced by 725 shares and the option price for all employees holding options was reduced from \$8.33 per share to \$7.20 per share.



16. HEAD AND OTHER OFFICES

The head office of the Company is located at 2540 East Hastings Street, Vancouver 6, British Columbia.

17. TRANSFER AGENT

The Transfer Agent of the Company is:

Canada Permanent Trust Company, 1901 Yonge Street, Toronto, Ontario.
and 455 Granville Street, Vancouver 2, British Columbia.

FIELDS STORES LIMITED

*and its subsidiaries
(Incorporated under the
Laws of British Columbia)*

OFFICERS

JOSEPH SEGAL,
*President and Chief Executive Officer
Fields Stores Limited*

GORDON J. CHAPMAN
*Vice-President
Fields Stores Limited*

C. FREDERICK GRAVES
*Vice-President
Fields Stores Limited*

MORLEY KOFFMAN
*Barrister and Solicitor
Secretary, Fields Stores Limited*

DIRECTORS

JOHN G. CHASTON
*Vice-President
Pemberton Securities Limited*

JOHN E. HOEGG
*President
Grouse Mountain Resorts Ltd.*

W. CECIL WAKELY
*President
Wakely Insurance Agencies Ltd.*

MORRIS J. WOSK
*President
Blue Boy Motor Hotel Limited*

SOLICITORS

FREEMAN, FREEMAN, SILVERS AND KOFFMAN

AUDITORS

YOUNG, PEERS, MILNER & CO.
Chartered Accountants

TRANSFER AGENTS

CANADA PERMANENT TRUST COMPANY
455 Granville Street,
Vancouver 2, B.C.

HEAD OFFICES

2550 East Hastings Street,
Vancouver 6, B.C.

Listed Vancouver Stock Exchange FSL

COVER PHOTO:

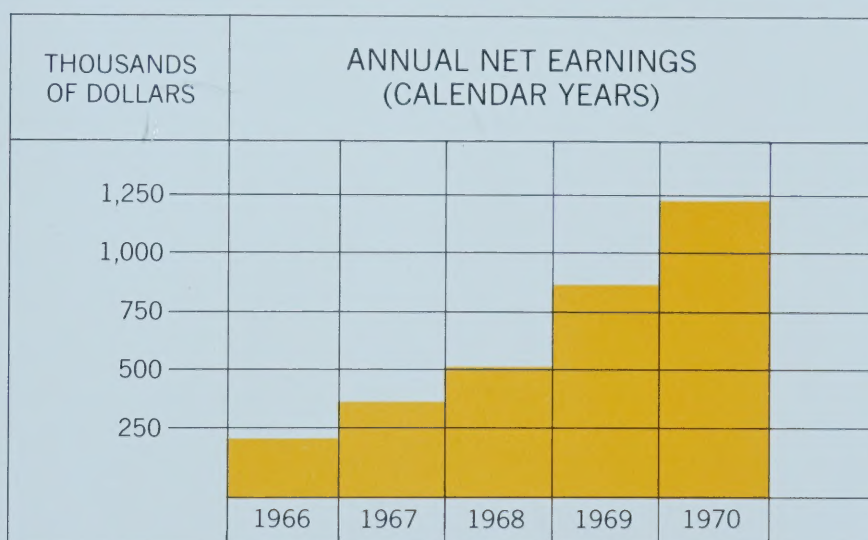
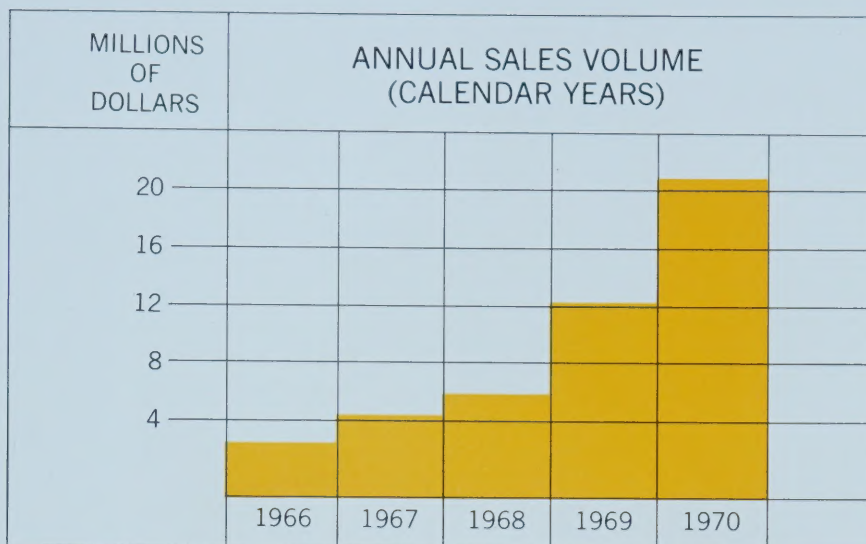
Fields Department Store,
Lougheed Mall, Burnaby, B.C.

FIELDS STORES LIMITED

and its Subsidiaries

1970 FINANCIAL HIGHLIGHTS

	Dollars	Per cent Increase
Sales	\$ 21,054,000	72
Net Earnings	1,234,000	40
Net Earnings per share	.55	21



PRESIDENT'S REPORT



To the shareholders:

Your directors are pleased to report new records for your company in the fiscal year ended January 2, 1971.

Sales were at an all-time high of \$21,053,954, an increase of 72 percent over the preceding year. Net earnings increased 40 percent to \$1,233,970 or 55 cents per share. This compares with \$879,729 or 46 cents per share in the previous year when fewer shares were outstanding.

The past year was one of generally adverse conditions for the merchandising industry, but your directors are gratified with the results which have been recorded by each division of the company.

Retail Division

The number of retail outlets in operation increased from 17 to 23. Three of these, in Vancouver, resulted from the purchase of another company, while three are new locations in Kelowna, Kamloops and Port Alberni.

Sales volume and store operating profits increased generally throughout our retail division. Contributions from the six additional units have been used to expand the head office and administrative organization in order to provide a solid foundation for future growth. We expect that head office costs will be stabilized at the 1970 level and consequently

the contribution to profits from new stores to be opened during 1971 will be greater than during the past year.

In the final quarter of 1970, a sales incentive program for store personnel was established and produced beneficial results. This plan is being broadened to provide an incentive for both an increase in sales volume and a decrease in store operating costs, and is expected to add to the profitability of the company.

During the year, the Williams Lake operation was converted to a typical Fields full line department store and in the course of renovations, your company's only retail food supermarket, which formerly operated within the store, was closed. It was an anomaly for us. Liquidation of inventory, fixtures and collection of accounts receivable resulted in a loss which has been absorbed.

With a stronger head office and administrative base we have adopted a more aggressive attitude towards expansion in the future. With this in mind we are continuing our program of management training to provide a continuous supply of qualified potential store managers.

We anticipate that three family clothing stores will open at new locations in British Columbia during April and that a junior department store will be added in August. Other locations in British Columbia are under consideration and we are also currently studying the Alberta market. It is conceivable that a further three to five units will be committed or opened during the year.

Also scheduled for opening in April is a "Pant Shop". This is a pilot project, but if estimates are realized, it will be the first of a number of similar stores. "Pant Shops" reflect a new trend in retailing where a high volume of specialized goods can be displayed and sold in a sales area of only 1,500 to 2,000 square feet. Merchandise will include both men's and ladies' pants, shirts and pant tops.

Manufacturing Division

Retail sales of men's suits suffered a serious decline throughout North America in 1970. Your company's manufacturing division was to some extent affected by this trend, but because of management's ability to reduce operating costs, profit contributions from

the plant were better than anticipated.

The manufacturing division has adjusted to a new trend in men's suits which has resulted in a demand for knitted fabrics. We have opened a new plant which is now in the initial stages of production. It will produce both knitted and woven garments and will enable the company to capitalize on the new market trend.

We are looking to the United States as a potential export market and anticipate a significant increase in the contribution to net earnings from this division during 1971.

Importing Division

Your company's two importing subsidiaries showed excellent growth in 1970 in both sales volume and net earnings and we are equally optimistic in the outlook for the coming year.

Outlook

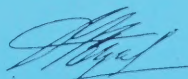
The directors and management are pleased with the development of head office personnel. It was a necessary forward step in order to administer the company's growth to date and vital to the future potential of Fields.

Personnel have been added in all important areas including buying and merchandising, financial and internal control, advertising and promotion, store supervision, warehousing and processing departments.

We look forward to generally improved economic conditions in our industry in 1971 and anticipate that the contribution of operating profits from new stores will greatly enhance net earnings for the year.

The directors and management of Fields Stores wish to emphasize the contribution to our success being made by the highly qualified and dedicated employees in all divisions of our company. It is largely through their efforts that Fields has developed to its present size and will continue to grow in the future.

On behalf of the board



Joseph Segal
President

FIELDS STORES LIMITED

and its subsidiaries

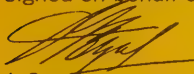

ASSETS

	1971	1970
CURRENT ASSETS		
Cash and short-term investments	\$1,064,446	\$1,695,209
Accounts receivable (Note 2)	1,710,659	1,327,142
Inventories (Note 3)	6,030,991	3,463,336
Prepaid expenses	33,623	26,678
	<u>8,839,719</u>	<u>6,512,365</u>
 FIXED ASSETS, at cost		
Buildings	1,625,862	1,351,290
Fixtures and Equipment	1,326,428	1,064,454
	2,952,290	2,415,744
Less: accumulated depreciation	806,866	692,818
	<u>2,145,424</u>	<u>1,722,926</u>
 Leasehold improvements, at cost less amortization	204,447	148,309
Land	813,707	758,386
	<u>3,163,578</u>	<u>2,629,621</u>
 OTHER ASSETS (Note 4)	<u>80,231</u>	<u>76,001</u>
 GOODWILL — at cost	<u>215,000</u>	<u>135,000</u>
 Excess of cost of investment in subsidiaries over book value of their net assets	<u>1,021,841</u>	<u>26,446</u>
	<u>\$13,320,369</u>	<u>\$9,379,433</u>

The accompanying notes form an integral part of this financial statement.

Consolidated Balance Sheet as at January 2, 1971
(with comparative figures at January 2, 1970)

LIABILITIES

	1971	1970
CURRENT LIABILITIES		
Bank loans (Note 5)	\$1,316,200	\$ 206,266
Accounts payable and accrued liabilities	1,635,953	1,374,314
Income and other taxes	552,645	469,869
Long-term debt due within one year	26,811	23,579
	<u>3,531,609</u>	<u>2,074,028</u>
LONG-TERM DEBT (Note 6)	<u>379,561</u>	<u>371,697</u>
DEFERRED INCOME TAXES	<u>191,317</u>	<u>79,926</u>
MINORITY INTERESTS IN SUBSIDIARIES (Notes 7 & 8)	<u>520,746</u>	
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	4,799,884	4,190,500
Retained earnings	3,897,252	2,663,282
	<u>8,697,136</u>	<u>6,853,782</u>
Signed on behalf of the Board		
 J. Segal		
 C.F. Graves, C.A.		
President		
Vice-President		
	<u>\$13,320,369</u>	<u>\$9,379,433</u>

FIELDS STORES LIMITED

and its subsidiaries

Consolidated Statement of Earnings and Retained Earnings
For the Year Ended January 2, 1971 (with comparative figures for 1970)

	1971	1970
SALES	\$21,053,954	\$12,239,020
Deduct concession sales	105,828	
NET SALES	<u>20,948,126</u>	<u>12,239,020</u>
COST OF GOODS SOLD AND OPERATING EXPENSES BEFORE THE FOLLOWING:	17,698,038	10,346,513
Depreciation and amortization	182,100	101,412
Directors' and senior officers' remuneration	150,800	148,016
Interest on long-term debt	34,483	14,203
	<u>18,065,421</u>	<u>10,610,144</u>
EARNINGS FROM OPERATIONS BEFORE INCOME TAXES AND MINORITY INTERESTS	<u>2,882,705</u>	<u>1,628,876</u>
INCOME TAXES		
Current	1,380,985	746,492
Deferred	122,191	61,776
	<u>1,503,176</u>	<u>808,268</u>
	1,379,529	820,608
MINORITY INTERESTS	<u>137,689</u>	
EARNINGS BEFORE EXTRAORDINARY ITEMS	1,241,840	820,608
EXTRAORDINARY ITEMS		
Loss on disposal of fixed assets, net of income tax reduction	(7,870)	
Non-recurring gains — net		<u>59,121</u>
NET EARNINGS FOR THE YEAR	1,233,970	879,729
RETAINED EARNINGS BEGINNING OF YEAR	<u>2,663,282</u>	<u>1,794,953</u>
	3,897,252	2,674,682
Deduct: deferred income taxes applicable to prior years		<u>11,400</u>
RETAINED EARNINGS END OF YEAR	\$ <u>3,897,252</u>	\$ <u>2,663,282</u>
EARNINGS PER SHARE BEFORE EXTRAORDINARY ITEMS	\$0.55	\$0.43
NET EARNINGS PER SHARE	\$0.55	\$0.46
(1971 — 2, 230,001 shares; 1970 — weighted average 1,906,666 shares)		

The accompanying notes form an integral part of this financial statement.

FIELDS STORES LIMITED

and its subsidiaries

Consolidated Statement of Source And Application of Funds
For the Year Ended January 2, 1971 (with comparative figures for 1970)

	1971	1970
SOURCE OF FUNDS		
Operations — Net earnings for the year	\$1,233,970	\$ 879,729
Add: non-cash items including depreciation and amortization, deferred income taxes and loss on disposal of fixed assets ..	<u>312,161</u> <u>1,546,131</u>	<u>163,188</u> <u>1,042,917</u>
Increase in long-term debt — net	7,864	335,145
Issue of shares (Note 8)	609,384	4,006,126
Minority interests	520,746	
Special refundable taxes		8,998
	<u>2,684,125</u>	<u>5,393,186</u>
USE OF FUNDS		
Increase in fixed assets — net of disposals	734,727	1,847,781
Increase in other assets — net	4,230	6,301
Goodwill purchased	80,000	2,915
Excess of cost of investment in subsidiaries over book value of their net assets	<u>995,395</u> <u>1,814,352</u>	<u>1,856,997</u>
INCREASE IN WORKING CAPITAL	869,773	3,536,189
WORKING CAPITAL BEGINNING OF YEAR	4,438,337	902,148
WORKING CAPITAL END OF YEAR	<u>\$5,308,110</u>	<u>\$4,438,337</u>

The accompanying notes form an integral part of this financial statement.

AUDITORS' REPORT

To the Shareholders, Fields Stores Limited

We have examined the consolidated balance sheet of Fields Stores Limited and its subsidiaries as at January 2, 1971, and the consolidated statements of earnings, retained earnings, and source and application of funds for the year then ended. Our examination of the financial statements of Fields Stores Limited and those subsidiaries of which we are the auditors included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of the other subsidiaries.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at January 2, 1971, and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

YOUNG, PEERS, MILNER & CO.
Chartered Accountants

Vancouver, B.C.
March 6, 1971

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JANUARY 2, 1971

- Principles of Consolidation.** The consolidated financial statements include the accounts of all subsidiary companies. The results of the operations of subsidiary companies have been included only from the date of acquisition, and provision has been made for minority interests.
- Accounts Receivable.** The figure appearing on the balance sheet includes both instalment and monthly accounts receivable, a portion of which is not due within twelve months.
- Inventories.** Inventories are valued at the lower of cost or estimated net realizable value less normal profit margins.

- Other Assets.** Consist of the following:

	1971	1970
Investments, at cost	\$ 734	\$ 734
Unamortized deferred leasing and computer programming costs	15,783	13,155
Organization costs	20,084	20,084
Life insurance — cash surrender value	8,630	7,028
Commission on issue of shares	35,000	35,000
	<u>\$80,231</u>	<u>\$76,001</u>

- Bank Loans.** The company's bankers hold an assignment of loss proceeds of certain fire insurance policies. Certificates of title to certain of the company's real property have been lodged with the bank. Accounts receivable totalling \$392,586 have been assigned to the bank as security.

- Long-term Debt.** Consists of the following:

	Principal Due Within One Year	Total
Mortgages Payable		
Payable \$2800 monthly including interest at 9% per annum with final payment due September 1, 1984	\$ 4,138	\$335,314
Payable \$241 monthly including interest at 7½% per annum until paid	1,822	15,354
Payable \$1250 monthly plus interest at 7½% per annum until paid	13,815	13,815
Payable \$153 monthly including interest at 10½% per annum until paid	155	16,440
Payable \$25 monthly including interest at 9½% per annum until paid	129	1,818
Agreements to purchase real property		
Payable \$395 monthly including interest at 7% per annum until paid	3,512	19,158
Payable \$290 monthly including interest at 6% per annum until paid	3,240	4,473
	<u>\$26,811</u>	<u>\$406,372</u>

- Contractual Obligations.** The Company has an obligation under certain circumstances to purchase for cash the minority interests in subsidiary companies. This obligation expires December 31, 1974.

The Company also has an option under certain circumstances to acquire these minority interests for a prescribed cash consideration.

- Share Capital.**

	Number of Shares	
Authorized —		
Common shares of no par value	3,500,000	
Issued —		
Balance, January 2, 1970	2,165,000	\$4,190,500
Shares issued during the year other than for cash	65,001	609,384
Balance, January 2, 1971	<u>2,230,001</u>	<u>\$4,799,884</u>

During the year the Company acquired a 75% interest in subsidiary companies which was satisfied by a cash payment and the issue of 65,001 common shares at the agreed value of \$609,384.

Employees of the Company have options to purchase 43,900 shares at a price of \$7.20 per share, exercisable at the rate of 10,500 shares per year.

- Lease Commitments.** Minimum annual rentals in the next five years on property leases are:

Years ending January 2, 1972	\$301,898	1973	269,986	1974	244,253
	1975	227,437	1976	221,071	

Certain of the leases provide for additional rental based on sales as well as other occupancy charges.

FIELDS STRENGTHENS MANAGEMENT TEAM

The hub of Fields Stores Limited is a large number of highly trained merchandising specialists who daily pass through the doors of a block-long building located on East Hastings Street in Vancouver.

With the number of stores in operation climbing steadily, the officers of Fields turned their attention during the past year to broadening the management team, creating new positions and responsibilities for qualified personnel within the company or, where necessary, going farther afield to find well trained new people.

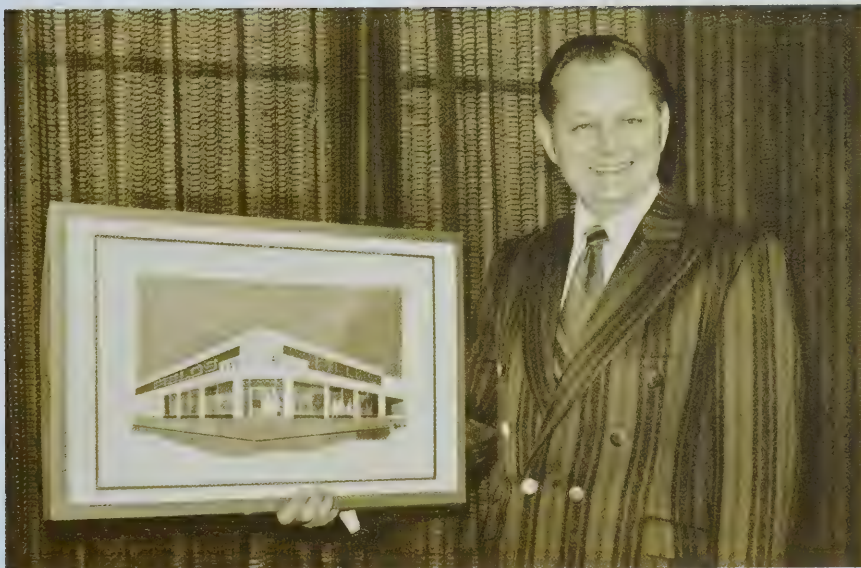
The organization has now been completed and the directors look to the future with the knowledge that the new middle management team can handle an extensive expansion program in the years ahead.

In all of its 23 years, the company has been guided by its founder, now president and chief executive officer, **Joseph Segal**. He is assisted at the senior management level by vice-presidents, **Frederick Graves** and **Dr. Gordon Chapman**. As officers and directors, these three have guided Fields to its present stage of development and now look forward to further expansion for the company.

Backing them up is a new executive team made up of men and women, some new to the company, others with long years of experience within the organization.



Vice-President, Dr. Gordon Chapman (right) with stores supervisor, Robert Way.



Vice-President, Frederick Graves

The responsibility for stores supervision has been taken over by **Robert Way** who at the age of 46 has been with Fields for 11 years. Formerly in charge of the New Westminster store, he has been in retail selling for a total of 21 years and now oversees the management of all stores and is responsible for the management training program.

Key people in the Fields organization are the buyers, a few of whom have been with the company since its beginnings.

Max Powell joined Fields over 20 years ago, moving from the stock room to the selling floor, to store manager and for the past eight years has been men's and children's wear buyer. He was joined this year by **Saul Shapiro** who has been in the retail business for 26 years, including several years as a children's wear buyer, and during the past seven has managed one of Fields' downtown Vancouver locations.

The ladies' wear buying group is headed by **Nate Alexander** whose 30 year career has been centred in this area of merchandising. He has held the position for the past 15 years. Another expert buyer is **Mrs. Evelyn Skinner** who has been with Fields for 16 years. These two were joined this year by **David Bennett** who came from a national department store, bringing with him 11 years of experience in ladies' wear.

With the expansion of Fields Stores Limited into junior and full line department stores, new buyers were required for the added new departments.

At that time, two non-clothing buyers joined the company. **Everett Sochowski**, with 20 years of major department store experience assumed the purchasing of furniture, appliances and housewares while **Lewis Rogers** with 29 years of retail and wholesale merchandising experience took over responsibility for staples, notions, drugs, sporting goods and a wide variety of other items.

(Continued)



Top

The accounting staff includes (left to right) Andy Baak, comptroller; Mrs. Sheila Holland, accountant and office manager, and John Gray, internal auditor.

Centre

Men's and children's wear buyers (centre) Max Powell and (right) Saul Shapiro examine some of their latest purchases with secretary Miss Donna Ilett.

Left

Advertising manager, (right) Mrs. Betty Estrin checks newspaper copy with assistant (left) Miss Karen Parkes.





Above

Ladies' wear is the specialty of (left to right) Nate Alexander, head buyer, Dave Bennett, buyer, Mrs. Rose McInroy, staff, and Mrs. Evelyn Skinner, buyer.

Top Right

Wide variety of merchandise comes under the jurisdiction of non-clothing buyers (left to right) Everett Sochowski, Mrs. Lynn Boyer, and Lew Rogers.

Below

Pictured in Fields warehouse are (left to right) G.S. Sekhon, processing supervisor; Vic Hetman, assistant warehouse manager and Andy Smit, warehouse manager.



(Continued)

Assisting Rogers and Sochowski is **Mrs. Lynn Boyer**, a graduate of the B.C. Institute of Technology in marketing management.

As the company has grown so has the financial function. To this department has come **Andries Baak**, C.A., R.I.A., comptroller, formerly employed by a national accounting firm where he gained extensive experience with the retail industry. **John Gray**, internal auditor, came to Fields after 13 years of banking and consumer accounts servicing. **Mrs. Sheila Holland** who joined the company 18 months ago as office manager and accountant also has many years of experience in retail accounting.

Fields distribution and warehousing facility is another arm of the head office operation. The manager is **Andries Smit**, an Australian who spent 15 years in warehousing with that country's largest department store. Assisting him is **Victor Hetman**, a man who has spent many years in retail merchandising. Specialized training in industrial management and inventory control has equipped **G.S. Sekhon** well for his position as production supervisor in the warehousing operation.

A vital section of merchandising is the advertising department, since August managed by **Mrs. Elizabeth Estrin** who is responsible for all newspaper, radio and television advertising. She was formerly with the ad and sales department of a large television network station in Los Angeles.

The new management team has developed rapidly, but retains a nucleus of long time fully experienced personnel to give it stability along with well trained young men and women working their way up within the organization.

FIELDS STORES LIMITED

and its subsidiaries

FIVE YEAR REVIEW

	CALENDAR YEARS				
	1966	1967	1968	1969	1970
	\$000	\$000	\$000	\$000	\$000
Operating Results					
Sales	3,650	4,344	6,101	12,239	21,054
Earnings from operations before the following:	446	752	1,107	1,730	3,065
Depreciation	51	64	79	101 (1)	182
Income taxes	188	334	520	808 (1)	1,503
Minority interests					138
Extraordinary gain (loss)				59	(8)
Net Earnings	207	354	508	880	1,234
Financial Position					
Working capital	302	562	902	4,438	5,308
Inventories	412	725	1,328	3,463	6,031
Fixed assets — net	635	698	883	2,629	3,163
Total assets	1,484	2,170	3,070	9,379	13,320
Long-term debt	18	10	36	372	380
Shareholders' equity	934	1,287	1,935	6,854	8,697
Per Common Share					
Earnings before extraordinary items	\$0.13	\$0.22	\$0.30	\$0.43 (2)	\$0.55
Net earnings	\$0.13	\$0.22	\$0.30	\$0.46 (2)	\$0.55
Cash flow	\$0.16	\$0.26	\$0.35	\$0.55 (2)	\$0.69
Net asset value	\$0.58	\$0.80	\$1.16	\$3.16	\$3.90
Ratios and Statistics					
Working capital	1.6:1	1.6:1	1.8:1	3.1:1	2.5:1
Number of common shares outstanding (3)	1,605,000	1,605,000	1,665,000	2,165,000	2,230,001
Number of shareholders (4)			1,038	1,130	1,302
Number of stores	5	8	10	17	23

(1) During 1969, the rates of depreciation were changed to conform with revised estimates of the useful life of fixed assets and the company converted from the taxes payable to the tax allocation method of providing for income taxes. Prior years figures as shown above have not been re-stated.

(2) Based on the weighted average of 1,906,666 common shares outstanding.

(3) Years 1966 and 1967 are re-stated to give effect to the recapitalization in 1968 and 3 for 1 stock split in 1969.

(4) Prior to 1968 the company was a private company.

LOCATION OF FIELDS STORES IN BRITISH COLUMBIA



- (c) By twenty-nine agreements dated January 18, 1971, each between the Company and an employee of the Company, the employees were granted options to purchase an aggregate of 10,250 Common Shares of the Company at the price of \$7.20 per share, exercisable by the employees as to one-fifth of the optioned shares in each year for five successive years ending June 30, 1975.
- (d) As of May 31, 1971, options had expired in respect of 11,000 Common Shares and had been exercised in respect of 1,150 Common Shares, so that as of said date options remained outstanding and exercisable in respect of a total of 42,850 Common Shares.
- (e) By an agreement made January 9, 1970, between the Company and the vendors to the Company of the shares of Diamond & Co. Ltd. and Harbrook Knitting Mills Ltd. (referred to in item 5 above) the 65,001 Common Shares of the Company issued to the Vendors for the shares acquired by the Company were deposited with a depositary to hold and be released and re-delivered to the vendors (i) as to 54,000 of the Common Shares of the Company, 5,400 quarterly on the last days of January, April, July and October in each year commencing January 31, 1970, until the 54,000 shares shall have been delivered to the vendors (ii) 6,000 of the Common Shares of the Company on December 31, 1973, and (iii) 5,001 of the Common Shares of the Company on December 31, 1974. The Common Shares subject to this agreement are transferrable provided the shares remain on deposit subject to the terms of the agreement.
- (f) By an agreement made January 9, 1970, between the vendors of the shares of Diamond & Co. Ltd. and Harbrook Knitting Mills Ltd. to the Company and Ranchero Holdings Ltd., a British Columbia company controlled by Joseph Segal, President of the Company, Ranchero Holdings Ltd. was granted a right of first refusal to purchase the 65,001 Common Shares of the Company received by the vendors in the transaction aforesaid.

12. LISTING ON OTHER STOCK EXCHANGES

The Common Shares of the Company are listed on the Vancouver Stock Exchange.

13. STATUS UNDER SECURITIES ACTS

Particulars of any filing, registration, approval or qualification with or by the Ontario Securities Commission or any corresponding governmental body or authority are as follows:

The British Columbia Securities Commission issued its official receipt dated July 26, 1968, acknowledging receipt of the material required under the Securities Act 1967 (British Columbia) in reference to the offering of 154,300 Common Shares by a selling shareholder.

On October 6, 1969, the Vancouver Stock Exchange confirmed acceptance for filing, effective October 3, 1969, of the Statement of Material Facts in reference to qualifying 300,000 Common Shares of certain shareholders for sale.

On December 8, 1969, the Vancouver Stock Exchange confirmed acceptance for filing, effective December 5, 1969, of the Company's Statement of Material Facts dated December 2, 1969, in reference to the proposed issued of 140,000 Common Shares to satisfy part of the purchase price for the Company's acquisition of Diamond & Co. Ltd., and Harbrook Knitting Mills Ltd. and in reference to the offering of 200,000 shares of the Company pursuant to an underwriting and a proposed offering of 100,000 shares by a selling shareholder.

On April 22, 1970, the Vancouver Stock Exchange confirmed acceptance for filing, effective March 23, 1970, of the Company's Amendment No. 1 dated March 18, 1970, to the Company's Statement of Material Facts dated December 2, 1969. This Amendment gave particulars of the amendment to the terms for the Company's acquisition of Diamond & Co. Ltd. and Harbrook Knitting Mills Ltd. and, in particular, the change in the transaction from a purchase of 100% of the shares of the said two companies to 75% and reduction of the consideration to be paid.

14. FISCAL YEAR

The fiscal year of the Company ends on January 2 in each year.

15. ANNUAL MEETINGS

The Articles of Association of the Company provide that an Annual General Meeting shall be held once in every calendar year at such time and place as the Board of Directors shall determine, but in any event not more than 15 months after the holding of the last preceding Annual General Meeting. The Companies Act of the Province of British Columbia provides that every General Meeting of the Company shall be held within the Province or at such place or places outside the Province as the Registrar of Companies may from time to time designate upon application made to him by the Company. The last Annual General Meeting of the Company was held at Vancouver, British Columbia, on April 6, 1971.

16. HEAD AND OTHER OFFICES

The head office of the Company is located at 2540 East Hastings Street, Vancouver 6, British Columbia.

17. TRANSFER AGENT

The Transfer Agent of the Company is:

Canada Permanent Trust Company, 1901 Yonge Street, Toronto, Ontario.
and 455 Granville Street, Vancouver 2, British Columbia.

18. TRANSFER FEE

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

19. REGISTRAR

The Registrar of the Company is:

Canada Permanent Trust Company, 1901 Yonge Street, Toronto, Ontario.
and 455 Granville Street, Vancouver 2, British Columbia.

20. AUDITORS

The auditors of the Company are:

Young, Peers, Milner & Co., Chartered Accountants, 1292 West Georgia Street, Vancouver, British Columbia.

21. OFFICERS

The Officers of the Company are:

<u>Name</u>	<u>Office</u>	<u>Home Address</u>
Joseph Segal	President	6816 Hudson Street Vancouver 14, British Columbia
Gordon Jerome Chapman	Vice-President	606 St. Andrew's Road West Vancouver, British Columbia
Charles Frederick Graves	Vice-President	4085 Strathcona Road North Vancouver, British Columbia
Morley Koffman	Secretary	1061 West 38th Avenue Vancouver, British Columbia

22. DIRECTORS

The Directors of the Company are:

<u>Name</u>	<u>Occupation</u>	<u>Home Address</u>
Joseph Segal	President of the Company	6816 Hudson Street Vancouver 14, British Columbia
Gordon Jerome Chapman	Vice-President of the Company	606 St. Andrew's Road West Vancouver, British Columbia
Charles Frederick Graves	Vice-President of the Company	4085 Strathcona Road North Vancouver, British Columbia
Morley Koffman	Barrister and Solicitor, Partner in the firm of Freeman, Freeman, Silvers & Koffman	1061 West 38th Avenue Vancouver, British Columbia
John Greer Chaston	President of Pemberton Securities Limited	860 Farmleigh West Vancouver, British Columbia
John Edgar Hoegg	President of Grouse Mountain Resorts Ltd.	137 Stevens Drive West Vancouver, British Columbia
William Cecil Wakely	President of Wakely Insurance Agencies Ltd.	Sunset Beach West Vancouver, British Columbia
Morris Joseph Wosk	President of Blue Boy Hotel Ltd.	1492 West 48th Avenue Vancouver, British Columbia

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, Fields Stores Limited hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

FIELDS STORES LIMITED



Per: "JOSEPH SEGAL",
President.

Per: "CHARLES FREDERICK GRAVES",
Vice-President.

DISTRIBUTION OF COMMON STOCK AS OF MAY 31, 1971

Number		Shares
32	..... Holders of 1 — 24 share lots	405
185	..... " " 25 — 99 " "	8,870
396	..... " " 100 — 199 " "	44,940
181	..... " " 200 — 299 " "	36,745
161	..... " " 300 — 399 " "	51,235
36	..... " " 400 — 499 " "	14,745
114	..... " " 500 — 999 " "	70,100
179	..... " " 1000 — up " "	2,004,111
<u>1,284</u>	Shareholders	<u>Total shares</u>
		<u>2,231,151</u>

